

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 18, 2007

TO: Honorable Jim Keffer, Chair, House Committee on Ways & Means

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2324 by Isett, Carl (Relating to customs brokers.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB2324, As Introduced: a positive impact of \$3,888,000 through the biennium ending August 31, 2009.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$1,944,000
2009	\$1,944,000
2010	\$1,944,000
2011	\$1,944,000
2012	\$1,944,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1
2008	\$1,944,000
2009	\$1,944,000
2010	\$1,944,000
2011	\$1,944,000
2012	\$1,944,000

Fiscal Analysis

The bill would implement recommendations 1 through 4 in the LBB Government Effectiveness and Efficiency Report entitled "Strengthen Sales Tax Enforcement Related to Customs Brokers."

The bill would eliminate the requirement that the comptroller of public accounts provide an alternative method for preparing documentation of export when the comptroller online customs broker website is unavailable. The bill would authorize the comptroller to impose penalties and suspend or revoke a customs broker license if the broker issues false export documentation or fails to pay penalties imposed by the comptroller. The bill would eliminate the requirement that penalties of over \$500 and less than \$5,000 be equal to the amount of taxes refunded. The bill would to authorize the comptroller, in addition to other penalties, to require a broker to pay the amount of tax refunded and the amount of any penalty. The bill would prohibit brokers from using a single certificate of export for multiple receipts. The bill would require that brokers indicate on the certificate of export that they inspected the property for export and the receipt for that property.

Methodology

The estimated revenue gain is based on the number of export certificates issued for multiple receipts. This number was multiplied by the \$1.60 per stamp fee.

Possible gains from penalties and the reduction in sales tax refunds resulting from stronger enforcement provisions cannot be estimated.

Technology

There would be no significant technology impact to the Comptroller's Office.

Local Government Impact

To the extent that stronger enforcement provisions reduce the amount of sales tax refunds, units of local government imposing a sales tax would experience some revenue gain. The amount of the gain cannot be determined.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, CT, JI, RS